

Renewable energy policy outlook in China

US/China Renewable Energy Forum

**April 18—19, 2000
Washington DC, US
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Policy Framework

- **Central Macro Policy**
 - **Guidance, instruction**
- **Regulation and Sectary Policies**
 - **Formulations and Regulations**
 - **Development Program, Plan and Guideline**
- **Specific Policies**
 - **Subsidy, Taxation, Financing and Pricing**

Macro Policy

- **Energy Conservation**
- **Electricity Law**
- **Environment Protection Law**
- **21st Century Agenda**
- **New and Renewable Energy Development Program**

Sectary Policies and Regulations

- **《Foreign Investment Industry Guidance》**
- **《National Promoting Catalogue of Industrial, Products and Technologies Development》**
- **《Economic incentives for wind power development》**
- **《The guidelines for renewable energy development》**
- **《Priorities of high-tech development in China 》**
- **《Catalogue of environmental industrial development》**

Specific Policies (I)

- **Subsidy Policies**

- **Administration Subsidy**
- **R&D**
- **Demonstration Project Subsidy**
- **Interest Subsidy**
- **Customer Subsidy**

- **Taxation Policies**

- **Income Tax**
- **Customer Duty**
- **VAT**

Specific Policies (II)

- **Financing Policies**

- **Bank Loan**

- **Pricing Policies**

- **Payback Price**

Local Related Policies

- **Mainly the Subsidy to Support the Key Area**
 - **Solar PV**
 - **Wind Power**
 - **Rural Renewable Energy Development, etc**

Policies Barriers

- **Lack of specific and clear long term development objective**
- **Lack of workable incentive mechanism**
- **Lack of flexible capital guarantee and financing mechanism**

Issues need to be Addressed

- **Long Term Development Program**
- **Set Up Related Financing Mechanism**
 - Whether the IREDA Model fits Chinese Situation
 - Multilateral and bilateral assistance, GEF grant and other international financing source
 - Set up Renewable Energy Special Fund in order to finance the small scale renewable energy projects
- **Project Organizing and Management**
 - Renewable Energy for Power : PPA and on-grid price
 - Solar Thermal Utilization: set up the standard and certification for solar integrated building

Policy Development Strategy

- **Favorable Macro Policy Environment**
- **Solid Base**
- **Timing**
- **Effectiveness**
- **Enforcement**
- **Chinese Situation Combined with International Experience**